

BEFORE THE  
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF: )  
 )  
NEXTLINK LONG DISTANCE )  
SERVICES, INC. )  
 ) No. 00 -0378  
Application for Change )  
of Status from Reseller to )  
Reseller/Facilities-based )  
carrier. )  
Chicago, Illinois

June 22, 2000

Met pursuant to notice at 10:00 a.m.

BEFORE :

MR. SHERWIN ZABAN, Administrative Law Judge.

APPEARANCES:

KELLEY DRYE & WARREN, LLP, by  
MR. JAMES J. FREEMAN  
1200 19th Street, N.W.  
Washington, D.C. 20036  
Appearing via telephone for the Applicant.

SULLIVAN REPORTING COMPANY, by  
Giraida B. Bordabeheres, CSR

1	I N D E X			
2	Witnesses:	Direct	Cross	Re - Re - By Examiner
3	Douglas			
4	Kinkoth	5		9

5  
6

7	E X H I B I T S		
8	Number	For Identification	In Evidence

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10 None marked.

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1 JUDGE ZABAN: By the power vested in me in the  
2 Illinois Commerce Commission, I call Docket  
3 No. 00-0378, Nextlink Long Distance Services, Inc.,  
4 application for a change of status from reseller to  
5 reseller/facilities-based carrier.

6 Will the parties please identify  
7 themselves for the record.

8 MR. FREEMAN: Yes, your Honor. On behalf of  
9 Nextlink Long Distance Services, it's  
10 James J. Freeman of Kelley Drye & Warren in  
11 Washington, D.C.

12 JUDGE ZABAN: And I understand you have two  
13 witnesses here today; is that correct?

14 MR. FREEMAN: Yes, your Honor, we have Douglas  
15 Kinkoth, K-i-n-k-o-t-h, who is vice president  
16 regulatory affairs; and Lara, L-a-r-a, Heisler,  
17 H-e-i-s-l-e-r, who is a regulatory analyst with the  
18 company.

19 JUDGE ZABAN: Will the parties who are about to  
20 testify please raise their right hand.

21 (Witnesses sworn.)

22 JUDGE ZABAN: Mr. Freeman, at this point I have

1 in front of me an application issued by Nextlink  
2 Long Distance Services for the change from reseller  
3 to reseller/facilities-based carrier.

4 Have your witnesses had an  
5 opportunity -- or strike that.

6 It's signed by you; is that correct?

7 MR. FREEMAN: That's correct, sir.

8 JUDGE ZABAN: And as an officer of the court, is  
9 the information to the best of your knowledge  
10 contained herein true and correct?

11 MR. FREEMAN: It is, your Honor. We are going to  
12 supplement it with a little additional information  
13 and to correct one telephone number as part of our  
14 direct case.

15 JUDGE ZABAN: Have there been any changes in the  
16 information contained in the application since its  
17 filing on May the 25th?

18 MR. FREEMAN: Nothing of any materiality.  
19 Obviously, the company changes day by day, but  
20 nothing that's material to the application.

21 JUDGE ZABAN: Please call your first witness.

22 MR. FREEMAN: Your Honor, we would first call

1 Mr. Doug Kinkoth.

2 JUDGE ZABAN: Okay, Mr. Kinkoth, you've been  
3 previously sworn.

4 THE WITNESS: Yes.

5 DOUGLAS KINKOTH,  
6 called as a witness herein, having been first duly  
7 sworn, was examined and testified as follows:

8 DIRECT EXAMINATION

9 BY

10 MR. FREEMAN:

11 Q. Mr. Kinkoth, could you give us your business  
12 address.

13 A. My business address is 2 Easton,  
14 E-a-s-t-o-n, Oval, Suite 300, Columbus, Ohio 43219.

15 Q. And on whose behalf are you testifying in  
16 this proceeding?

17 A. On behalf of Nextlink Long Distance  
18 Services, Inc.

19 Q. One additional point. Could you explain for  
20 us the relationship between Nextlink Long Distance,  
21 Inc. -- Long Distance Services, Inc., and its  
22 parent, Nextlink Communications, Inc.

1       A.    Yes.  Nextlink Long Distance Services, Inc.,  
2   is a subsidiary of Nextlink Communications, Inc.  
3   And Nextlink Communications, Inc., is a major  
4   telecommunications provider, which is described in  
5   the application.  It's currently providing service  
6   throughout the country through affiliates and in  
7   Illinois that would be Nextlink Illinois, Inc., who  
8   is the provider of both local and LD.

9                So we are a subsidiary of the same  
10   parent, Nextlink Communications, Inc.

11       Q.    And does Nextlink Long Distance Services,  
12   Inc., seek any local authority through this  
13   application?

14       A.    No, it does not.  It's seeking just to  
15   provide the authority to expand its existing license  
16   to provide facilities-based long distance.

17       Q.    The application identifies Nextlink  
18   Illinois, Inc., as an entity providing both local  
19   and long distance service in Illinois.

20               Will that entity continue to offer long  
21   distance service after grant of the instant  
22   application?

1       A.    Yes, and it currently is since the  
2 application was granted for resell.  And at this  
3 time, the business plan is not clear of how we  
4 will -- if we will continue to do that long-term or  
5 back to the Commission and talk about providing  
6 those under separate entities; the LD and the local.

7       Q.    But for the foreseeable future at least or  
8 the interim near term future, Nextlink Illinois will  
9 continue to provide both local and long distance; is  
10 that correct?

11      A.    Correct, yes.

12      JUDGE ZABAN:  If I may interrupt.  And I have a  
13 question.

14                   I see in your the application, the  
15 Nextlink Long Distance Services, Inc.  -- or Nextlink  
16 LD as it's referred to -- is Nextlink Long Distance  
17 Services and Nextlink Long Distance Illinois the  
18 same company?

19      THE WITNESS:  No, it is not.  Well, I'm sorry.  
20 Maybe I need to ask you to restate that to make sure  
21 I heard it right.

22                   Nextlink Illinois, Inc., is a separate

1 holder of a certificate for local and LD. Next link  
2 Long Distance Services, Inc., is the reseller  
3 currently seeking facilities-based authority for  
4 long distance only. They're a separate entity.

5 JUDGE ZABAN: Just so I understand. And Nextlink  
6 Long Distance Services, Inc., already has a  
7 certificate to be a reseller; is that correct?

8 THE WITNESS: That is correct. And we are simply  
9 looking to --

10 JUDGE ZABAN: To expand that service to become a  
11 facilities-based carrier?

12 THE WITNESS: Correct.

13 JUDGE ZABAN: Fine.

14 BY MR. FREEMAN:

15 Q. Are there any corrections to the application  
16 that you would like to make at this time?

17 A. We'd like to provide a new number for  
18 customer service representative. Change that number  
19 to 1-800-999-6083.

20 Q. And for complaints that are being handled by  
21 the Illinois Commission, do you have a local  
22 personnel who the Commission would normally deal



1 with in resolving any of those complaints?

2 A. We do. Complaints from the Commission  
3 should be sent to an individual by the name of Carol  
4 Pomponio, P-o-m-p-o-n-i-o. She is manager of  
5 regulatory and external affairs for Nextlink. Her  
6 address is 810 Drury Boulevard, Suite 200, Oak  
7 Brook, Illinois 60523.

8 MR. FREEMAN: Your Honor, if it would be  
9 preferable, I can actually send you a letter adding  
10 that information.

11 JUDGE ZABAN: That's fine. We'll just make it  
12 part of the record.

13 MR. FREEMAN: That would be good. Okay.

14 Your Honor, that concludes our direct  
15 case and the witness is now available for any  
16 examination you wish to make of him.

17 EXAMINATION

18 BY

19 JUDGE ZABAN:

20 Q. Is Nextlink Long Distance Services operating  
21 in any other state?

22 A. Yes, it is. It is operating -- well, it

1 currently is certificated in approximately 43 -- I'm  
2 looking at my list right here. Approximately 43  
3 other states at this time. The application is  
4 pending in the remaining seven.

5 Q. And have there been any complaints  
6 registered in any of those states regarding Nextlink  
7 Illinois -- Nextlink Long Distance Services?

8 A. No, there have not.

9 Q. At the time that you filled out your initial  
10 application to become reseller, I believe you were  
11 asked questions about slamming and cramming; is that  
12 correct?

13 A. That is correct.

14 Q. And I take it with the addition of the  
15 facilities-based carrier, that your position on  
16 following all the laws regarding slamming and  
17 cramming is you still intend to follow the laws; is  
18 that also correct?

19 A. Correct.

20 Q. What type of facilities do you plan on  
21 having in Illinois?

22 A. Well, we are currently what we -- is called

1 internally the interconnect network is being built  
2 actually in agreement with Level 3. It is a 16,000  
3 mile innercity national fiber network which will  
4 connect every major city in the U.S. and Canada.

5                   In Illinois, specifically, it would be  
6 a fiber network coming in around Chicago and exiting  
7 the state going through Odell, then Springfield,  
8 Plainview (sic), and then out somewhere along the  
9 St. Louis border -- or Missouri border at St. Louis.

10                   And it will be a -- we would receive in  
11 the Level 3 build, 24 fibers and we would have  
12 one -- put in one quarter-inch empty conduit going  
13 through there, that same path.

14       Q.    Is this going to be a long-distance  
15 telephone service or it is going to be primarily an  
16 Internet service?

17       A.    It is going to be a long-haul network IP  
18 network base, so Internet protocol rather than  
19 circuit switch, but it will be used primarily for  
20 our long-haul, but it will carry both long distance  
21 and data services.

22       Q.    Have you contracted with any of the local --

1 the ILECs in Illinois for the installation of this  
2 service?

3 A. Of the network itself?

4 Q. Right.

5 A. The network is being built by Level 3.

6 Q. So you're relying on Level 3 to make the  
7 contracts regarding -- with the local ILECs; is that  
8 correct?

9 A. That is correct. They have the obligations  
10 through the agreement to have all the rights, the  
11 way and everything to make the initial bill.

12 Q. And is this going to involve the  
13 installation of any equipment?

14 A. There will be some switching and I'm sure  
15 repeater areas on the network.

16 Q. Are you going to be building new facilities  
17 or are you going to be using the existing  
18 facilities?

19 A. As far as equipment?

20 Q. Right.

21 A. I would have to get back to you on that.

22 As far as the fiber, Level 3 will lay

1 the actual fiber. This will be new fiber. Then we  
2 will get 24 strands of that fiber and then we will  
3 have the obligation of putting our own electronics  
4 on that fiber.

5 Q. What I was really kind of asking was -- and  
6 I think it relates to any switch or anything you'll  
7 be putting in -- are you going to go installing them  
8 in the ILECs or are you going to be installing them  
9 on Level 3 equipment?

10 A. For the long-haul side, we would have to --  
11 remember, this is a long-distance network, not a  
12 local, so we won't have home location with the ILEC  
13 because we're going to be long-haul, but would have  
14 to have -- any interconnection with the ILECs to  
15 drop our traffic off would be done between Nextlink  
16 and the ILEC.

17 JUDGE ZABAN: That's fine.

18 Do we have anything further?

19 MR. FREEMAN: Your Honor, we have nothing  
20 further.

21 JUDGE ZABAN: On that basis, I'm going to  
22 conclude the hearing and I'm going to mark it heard

1 and taken and I will enter the appropriate order.

2 MR. FREEMAN: Thank you, your Honor. I will send  
3 you a letter this afternoon just confirming that  
4 address from the local contact.

5 JUDGE ZABAN: Thank you.

6 HEARD AND TAKEN. . . .

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CERTIFICATE OF REPORTER

STATE OF ILLINOIS )  
 )  
COUNTY OF COOK )

CASE NO. 00-0378

TITLE: Nextlink Long Distance Services, Inc.  
I, Giraida B. Bordabeheres, do hereby certify

that I am a court reporter contracted by SULLIVAN  
REPORTING COMPANY, of Chicago, Illinois; that I  
reported in shorthand the evidence taken and the  
proceedings had in the hearing on the above -entitled  
case on the 22nd day of June A.D. 2000; that the  
foregoing 14 pages are a true and correct transcript  
of my shorthand notes so taken as aforesaid, and  
contains all the proceedings directed by the  
Commission or other person authorized by it to  
conduct the said hearing to be stenographically  
reported.

Dated at Chicago, Illinois, this 20th day  
of July A.D. 2000.

REPORTER